

## NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. '4-99)

OAL FILE NUMBERS	NOTICE FILE NUMBER <b>Z-06-0512-01 E</b>	REGULATORY ACTION NUMBER	EMERGENCY NUMBER <b>06-0512-01 E</b>
For use by Office of Administrative Law only		2006 SEP 22 PM 1:51	
OFFICE OF ADMINISTRATIVE LAW			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY California Department of Insurance			AGENCY FILE NUMBER (if any)

## A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed <input type="checkbox"/> Regulatory Action		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER ( )	FAX NUMBER (Optional) ( )
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

## B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) California Low Cost Automobile Insurance Program Rates	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 06-0512-01 E
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## 2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics-related)

SECTION(S) AFFECTED (List all section number(s) individually)	ADOPT 2498.6
	AMEND
TITLE(S) 10	REPEAL

## 3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code, § 11346)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code, §§ 11349.3, 11349.4)	<input type="checkbox"/> Emergency (Gov. Code, § 11346.1(b))	<input checked="" type="checkbox"/> Emergency Readopt (Gov. Code, § 11346.1(h))	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, § 11346.1)
<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Government Code §§ 11346.2 - 11346.9 prior to, or within 120 days of, the effective date of the regulations listed above.				
<input type="checkbox"/> Print Only	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, § 100)	<input checked="" type="checkbox"/> Other (specify) GC 11340.9(g)		

## 4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §§ 44 and 45)

## 5. EFFECTIVE DATE OF REGULATORY CHANGES (Gov. Code, §§ 11343.4, 11346.1(d))

<input type="checkbox"/> Effective 30th day after filing with Secretary of State	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> Effective other (Specify)
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## 6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify)		

7. CONTACT PERSON Mary Ann Shulman	TELEPHONE NUMBER (4 ) 538-4133	FAX NUMBER (Optional) ( )	E-MAIL ADDRESS (Optional) shulmanm@insurance.ca.gov
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8.

I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 9/15/06
TYPED NAME AND TITLE OF SIGNATORY Gary M. Cohen, General Counsel	

STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
45 Fremont Street, 21<sup>st</sup> Floor  
San Francisco, California 94105

ER06091810

September 15, 2006

**PROPOSED TEXT**

**CALIFORNIA LOW COST AUTOMOBILE INSURANCE PROGRAM**

Amend Title 10, Chapter 5, Subchapter 3, Section 2498.6 to read as follows:

**Sec. 2498.6 California Automobile Insurance Low Cost Program Plan of Operations**

The Insurance Commissioner has approved and hereby incorporates by reference a separate plan designated the "California Automobile Insurance Low Cost Program Plan of Operations," effective June 19, 2001, with nonsubstantive amendments effective February 27, 2002, and with nonsubstantive amendments effective June 20, 2002, and with emergency amendments effective January 13, 2003, and with amendments effective February 15, 2003, and with emergency amendments readopted May 6, 2003, and with nonsubstantive amendments effective August 28, 2003, and with amendments effective September 9, 2003, and with amendments effective October 2, 2003, and with nonsubstantive amendments effective April 19, 2004, and with nonsubstantive amendments effective August 24, 2004, and with amendments effective August 28, 2004, and with amendments effective February 13, 2005, with nonsubstantive amendments effective July 23, 2005, and with amendments effective January 20, 2006, and with emergency amendments effective April 1, 2006, and with emergency amendments effective June 1, 2006, and with nonsubstantive amendments effective July 18, 2006, and with emergency amendments readopted effective July 24, 2006, and with emergency amendments readopted effective \* \_\_\_\_\_, which is the statutorily-required plan for the equitable apportionment, among insurers required to participate in the California Automobile Assigned Risk Plan, of persons residing in the County of Los Angeles, the City and County of San Francisco, and the Counties of Alameda, Fresno, Orange, Riverside, San Bernardino, San Diego, Contra Costa, Imperial, Kern, Sacramento, San Joaquin, San Mateo, Santa Clara, and Stanislaus who are eligible to purchase a low cost automobile insurance policy through the pilot program established in those counties. The Plan also sets forth procedures which insurance producers and applicants shall follow to obtain a low cost automobile insurance policy. A low cost automobile insurance policy is available for policies issued or renewed on and after July 1, 2000. This Plan has been filed but for the present is separately published, not as part of the California Code of Regulations. The Plan may be examined at the office of the Insurance Commissioner in San Francisco and copies may be obtained from the California Automobile Assigned Risk Plan, P.O. Box 7917, San Francisco, California 94120-7917.

NOTE: Authority cited: Sections 11620, 11629.7, 11629.72 and 11629.79, Insurance Code.  
Reference Sections 11629.7-11629.85, Insurance Code.

\* OAL to insert effective date of readoption of emergency amendments.

STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
45 Fremont Street, 21<sup>st</sup> Floor  
San Francisco, California 94105

ER06091810

September 15, 2006

**PROPOSED PLAN OF OPERATIONS TEXT<sup>1</sup>**

**CALIFORNIA LOW COST AUTOMOBILE INSURANCE PROGRAM**

Amend Section 27 to read as follows:

**Sec. 27. PREMIUM DETERMINATION**

**Bodily Injury and Property Damage Liability, Medical Payments, and Uninsured Motorists Coverages**

A. Determine the Classification Code from the following table.

Classification Codes	Description of Operator
9LA	The applicant is an unmarried male 19 through 24 years of age
9LB	There is a driver in the household who is an unmarried male 19 through 24 years of age
9LC	All Others

**Note:** Class Code 9LA applies if there is both an applicant and another driver who are unmarried males 19 through 24 years of age in the same household.

B. Refer to the rate schedule in Exhibit ~~K~~ E of the Appendix for the rates for the classification and applicable city and county or county.

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<sup>1</sup> The proposed changes amend the California Automobile Insurance Low Cost Program Plan of Operations approved by the Commissioner.

CALIFORNIA LOW COST AUTOMOBILE INSURANCE PROGRAM  
PLAN OF OPERATIONS  
APPENDIX

**EXHIBIT K E**

**PRIVATE PASSENGER AUTOMOBILE LIABILITY RATES**

**\$10,000/\$20,000 Bodily Injury and \$3,000 Property Damage Liability,  
\$10,000/\$20,000 Uninsured Motorists, and  
\$1,000 Medical Payments**

**Liability Rates**

<b>County</b>	<b>Class 9LA</b>	<b>Class 9LB</b>	<b>Class 9LC</b>
Alameda	\$402.50	\$402.50	\$322.00
Contra Costa	\$396.25	\$396.25	\$317.00
Fresno	\$373.75	\$373.75	\$299.00
Imperial	\$262.50	\$262.50	\$210.00
Kern	298.75	\$298.75	\$239.00
Los Angeles	\$443.75	\$443.75	\$355.00
Orange	\$390.00	\$390.00	\$312.00
Riverside	\$307.50	\$307.50	\$246.00
Sacramento	\$478.75	\$478.75	\$383.00
San Bernardino	\$353.75	\$353.75	\$283.00
San Diego	\$335.00	\$335.00	\$268.00
San Francisco City and County	\$402.50	\$402.50	\$322.00
San Joaquin	\$368.75	\$368.75	\$295.00
San Mateo	\$383.75	\$383.75	\$307.00
Santa Clara	\$362.50	\$362.50	\$290.00
Stanislaus	\$448.75	\$448.75	\$359.00

### Uninsured Motorists and Medical Payments Rates

County	Uninsured Motorists	Medical Payments
Alameda	\$32.00	\$18.00
<u>Contra Costa</u>	<u>\$28.00</u>	<u>\$17.00</u>
Fresno	\$51.00	\$34.00
<u>Imperial</u>	<u>\$32.00</u>	<u>\$18.00</u>
<u>Kern</u>	<u>\$30.00</u>	<u>\$19.00</u>
Los Angeles	\$65.00	\$29.00
Orange	\$37.00	\$24.00
Riverside	\$32.00	\$14.00
<u>Sacramento</u>	<u>\$49.00</u>	<u>\$23.00</u>
San Bernardino	\$40.00	\$18.00
San Diego	\$26.00	\$15.00
San Francisco City and County	\$39.00	\$26.00
<u>San Joaquin</u>	<u>\$35.00</u>	<u>\$23.00</u>
<u>San Mateo</u>	<u>\$25.00</u>	<u>\$17.00</u>
<u>Santa Clara</u>	<u>\$24.00</u>	<u>\$14.00</u>
<u>Stanislaus</u>	<u>\$44.00</u>	<u>\$35.00</u>

**CALIFORNIA LOW COST AUTOMOBILE  
INSURANCE PROGRAM**

***PLAN OF OPERATIONS***

**Administered by the California Automobile Assigned Risk Plan  
Effective June 19, 2001**

**Nonsubstantive amendments effective February 27, 2002**

**Nonsubstantive amendments effective June 20, 2002**

**Emergency amendments effective January 13, 2003**

**Amendments effective February 15, 2003**

**Emergency amendments readopted May 6, 2003**

**Nonsubstantive amendments effective August 28, 2003**

**Amendments effective September 9, 2003**

**Amendments effective October 2, 2003**

**Nonsubstantive amendments effective April 19, 2004**

**Nonsubstantive amendments effective August 24, 2004**

**Amendments effective August 28, 2004**

**Amendments effective February 13, 2005**

**Nonsubstantive amendments effective July 23, 2005**

**Amendments effective January 20, 2006**

**Emergency amendments effective April 1, 2006**

**Emergency amendments effective June 1, 2006**

**Nonsubstantive amendments effective July 18, 2006**

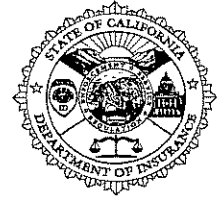
**Readoption of emergency amendments effective July 24, 2006**

**Readoption of emergency amendments effective** \*

\* Effective date of amendments to be added by the Office of Administrative Law.

**DEPARTMENT OF INSURANCE**

Legal Division, Compliance Bureau  
45 Fremont Street, 21st Floor  
San Francisco, CA 94105



**NOTICE OF PROPOSED READOPTION OF  
EMERGENCY REGULATIONS  
PURSUANT TO CALIFORNIA INSURANCE CODE SECTION 12921.7**

File No. ER06091810

September 15, 2006

**CALIFORNIA LOW COST AUTOMOBILE INSURANCE PROGRAM**

**Rates for Liability, Uninsured Motorists and Medical Payments Coverages for  
Contra Costa, Imperial, Kern, Sacramento, San Joaquin, San Mateo,  
Santa Clara, and Stanislaus Counties**

California Insurance Commissioner John Garamendi hereby provides notice, pursuant to California Insurance Code Section 12921.7, that he will propose to the Office of Administrative Law the emergency readoption of amendment of the California Automobile Insurance Low Cost Program Plan of Operations, referenced in Title 10, Chapter 5, Section 2498.6 of the California Code of Regulations, in accordance with California Government Code Section 11346.1(h).

This Notice contains a description of the problem and necessity for the regulation, an explanation of the justification for the readoption of the regulation on an emergency basis and a copy of the text.

This Notice is provided to every person, group, and association who has previously filed a request for notice of regulatory action with the Commissioner. Copies of the Notice are available at the Department of Insurance, 45 Fremont Street, 21<sup>st</sup> Floor, San Francisco, California, 94105 and on the Department's web site at [www.insurance.ca.gov](http://www.insurance.ca.gov).

The proposed readoption of emergency regulations will be submitted to the Office of Administrative Law together with the rulemaking file not less than five (5) working days after the mailing of this Notice, as required by California Insurance Code Section 12921.7. Questions regarding this Notice should be directed to:

California Department of Insurance  
Legal Division, Compliance Bureau  
Attn: Mary Ann Shulman, Senior Staff Counsel  
45 Fremont Street, 21<sup>st</sup> Floor  
San Francisco, California 94105  
(415) 538-4133



The Department has initiated regular rulemaking action for adoption of rates for these counties. As required by statute, a notice of the required public hearing shall be published at least 60 days prior to the hearing in two newspapers of general circulation. Following statutory procedures, a notice of the required public hearing appeared in both the Los Angeles Daily Journal and San Francisco Daily Journal on July 3, 2006. The Department's Notice of Proposed Action and Notice of Public Hearing was published in the July 28, 2006 Register. A public hearing was held in San Francisco on September 12, 2006, at the close of the 45-day public comment period. To permit supplementary responses to panel questions and comments at the public hearing, the public comment period has been extended to October 2, 2006.

Given this timeline, there will not be sufficient time to duly consider public comments to determine rates for these counties and complete the Certificate of Compliance prior to the expiration of the emergency amendments on September 30, 2006. Consequently, unless the emergency amendment is readopted, there will not be uniform rates to quote eligible consumers, affecting the availability of the liability policy and additional coverages for the eight expansion counties authorized by the legislature. For these reasons, the emergency continues.

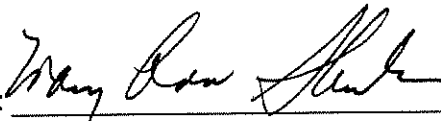
The Insurance Commissioner proposes the readoption of this rulemaking action pursuant to the authority vested in him by California Insurance Code Sections 11620, 11624, 11629.7, 11629.72, and 11629.79. The purpose of this rulemaking action is to implement, interpret, and make specific the provisions of 2005 Stats. Chapter 435, operative January 1, 2006.

**TEXT OF THE PROPOSED REGULATION**

The text of the proposed rulemaking is attached.

Dated: September 15, 2006

JOHN GARAMENDI  
Insurance Commissioner

By:   
Mary Ann Shulman  
Senior Staff Counsel

**ECONOMIC AND FISCAL IMPACT STATEMENT**  
**(REGULATIONS AND ORDERS)**

STD. 389 (Rev. 2-88)

See SAM Sections 6600 - 6680 for Instructions and Code Citations

DEPARTMENT NAME Department of Insurance	CONTACT PERSON Mary Ann Shulman	TELEPHONE NUMBER 415/538-4133
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 California Low Cost Automobile Insurance Program		NOTICE FILE NUMBER Z

**ECONOMIC IMPACT STATEMENT****A. ESTIMATED PRIVATE SECTOR COST IMPACTS** (Include calculations and assumptions in the rulemaking record.)

1. Check the appropriate box(es) below to indicate whether this regulation:

- ☐ a. Impacts businesses and/or employees
 ☐ e. Imposes reporting requirements  
☐ b. Impacts small businesses
 ☐ f. Imposes prescriptive instead of performance standards  
☐ c. Impacts jobs or occupations
 ☒ g. Impacts individuals  
☐ d. Impacts California competitiveness
 ☐ h. None of the above (Explain below. Complete the Fiscal Impact Statement as appropriate.)

h. (cont.) \_\_\_\_\_

(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)

2. Enter the total number of businesses impacted: n/a Describe the types of businesses (Include nonprofits): \_\_\_\_\_

Enter the number or percentage of total businesses impacted that are small businesses: \_\_\_\_\_

3. Enter the number of businesses that will be created: n/a eliminated: \_\_\_\_\_

Explain: \_\_\_\_\_

4. Indicate the geographic extent of impacts: ☐ Statewide ☒ Local or regional (list areas): Limited to persons eligible to purchaselow cost auto policy in Contra Costa, Imperial, Kern, Sacramento, San Joaquin, San Mateo, Santa Clara, Stanislaus counties5. Enter the number of jobs created: n/a or eliminated: n/a Describe the types of jobs or occupations impacted: \_\_\_\_\_

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?

☐ Yes☒ No

If yes, explain briefly: \_\_\_\_\_

**B. ESTIMATED COSTS** (Include calculations and assumptions in the rulemaking record.)

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ \_\_\_\_\_

a. Initial costs for a small business: \$ n/a Annual ongoing costs: \$ \_\_\_\_\_ Years: \_\_\_\_\_b. Initial costs for a typical business: \$ n/a Annual ongoing costs: \$ \_\_\_\_\_ Years: \_\_\_\_\_c. Initial costs for an individual: \$ undeterm Annual ongoing costs: \$ \_\_\_\_\_ Years: \_\_\_\_\_d. Describe other economic costs that may occur: None

**ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 2-98)**

2. If multiple industries are impacted, enter the share of total costs for each industry: n/a

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. (Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.): \$ n/a

4. Will this regulation directly impact housing costs? ☐ Yes ☒ No If yes, enter the annual dollar cost per housing unit: \$ \_\_\_\_\_ and the number of units: \_\_\_\_\_

5. Are there comparable Federal regulations? ☐ Yes ☒ No Explain the need for State regulation given the existence or absence of Federal regulations: DOI enforces provisions of Low Cost Automobile Insurance program as to insurers and producers

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ n/a

**C. ESTIMATED BENEFITS** (Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. Briefly summarize the benefits that may result from this regulation and who will benefit: Consumers and insurers benefit from clarification of cost and coverage limits

2. Are the benefits the result of: ☒ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority?

Explain: Regulations implement provisions of Stats. 2005, chapter 435 for the Low Cost Auto program

3. What are the total statewide benefits from this regulation over its lifetime? \$ undeterm

**D. ALTERNATIVES TO THE REGULATION** (Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: Rate alternatives were considered by Advisory Committee of Cal. Automobile Assigned Risk Plan. These regulations adopt same standards recommended by CAARP.

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation:	Benefit: \$ <u>undeterm</u>	Cost: \$ <u>undeterm</u>
Alternative 1:	Benefit: \$ _____	Cost: \$ _____
Alternative 2:	Benefit: \$ _____	Cost: \$ _____

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: \_\_\_\_\_  
These proposed regulations implement, interpret, and make specific provisions of Stats. 2005, chapter 435 (SB 20, Escutia)

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? ☐ Yes ☒ No

Explain: No specific technologies or equipment are mandated. Regulations implement and make specific statutory mandates.

**E. MAJOR REGULATIONS** (Include calculations and assumptions in the rulemaking record.)

Cal/EPA boards, offices and departments are subject to the following additional requirements per Health and Safety Code section 57005.

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 2-98)

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? ☐ Yes ☐ No (If No, skip the rest of this section)

2. Briefly describe each equally as effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: n/a

Alternative 2: n/a

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: \$ n/a Cost-effectiveness ratio: n/a

Alternative 1: \$ \_\_\_\_\_ Cost-effectiveness ratio: \_\_\_\_\_

Alternative 2: \$ \_\_\_\_\_ Cost-effectiveness ratio: \_\_\_\_\_

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT (Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years)

☐ 1. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:

☐ a. is provided in (Item \_\_\_\_\_, Budget Act of \_\_\_\_\_) or (Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_)

☐ b. will be requested in the \_\_\_\_\_ (FISCAL YEAR) Governor's Budget for appropriation in Budget Act of \_\_\_\_\_

☐ 2. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:

☐ a. implements the Federal mandate contained in \_\_\_\_\_

☐ b. implements the court mandate set forth by the \_\_\_\_\_ court in the case of \_\_\_\_\_ vs. \_\_\_\_\_

☐ c. implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_ at the \_\_\_\_\_ election; (DATE)

☐ d. is issued only in response to a specific request from the \_\_\_\_\_, which is/are the only local entity(s) affected;

☐ e. will be fully financed from the \_\_\_\_\_ (FEES, REVENUE, ETC.) authorized by Section \_\_\_\_\_

\_\_\_\_\_ of the \_\_\_\_\_ Code;

☐ f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit.

☐ 3. Savings of approximately \$ \_\_\_\_\_ annually.

☐ 4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.

**ECONOMIC AND FISCAL IMPACT STATEMENT *cont. (STD. 399, Rev. 2-98)***

☒ 5. No fiscal impact exists because this regulation does not affect any local entity or program.

☐ 6. Other.

**B. FISCAL EFFECT ON STATE GOVERNMENT** *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

☐ 1. Additional expenditures of approximately \$\_\_\_\_\_ in the current State Fiscal Year. It is anticipated that State agencies will:

☐ a. be able to absorb these additional costs within their existing budgets and resources.

☐ b. request an increase in the currently authorized budget level for the \_\_\_\_\_ fiscal year.

☐ 2. Savings of of approximately \$\_\_\_\_\_ in the current State Fiscal Year.

☒ 3. No fiscal impact exists because this regulation does not affect any State agency or program.

☐ 4. Other.

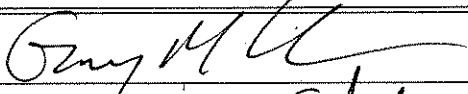
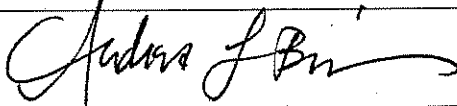


**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

☐ 1. Additional expenditures of approximately \$\_\_\_\_\_ in the current State Fiscal Year.

☐ 2. Savings of of approximately \$\_\_\_\_\_ in the current State Fiscal Year.

☒ 3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.

☐ 4. Other.

SIGNATURE 		TITLE <u>4/15/06</u>
AGENCY SECRETARY 	DATE <u>May 1 2006</u>	
APPROVAL/CONCURRENCE 	PROGRAM BUDGET MANAGER	DATE
DEPARTMENT OF FINANCE <sup>2</sup>		
APPROVAL/CONCURRENCE 		

1. The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6600-6680, and understands the impacts of the proposed rulemaking. State boards, offices, or department not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

2. Finance approval and signature is required when SAM sections 6600-6670 require completion of Fiscal Impact Statement in the STD. 399.